

FEDERAL ELECTION COMMISSION WASHINGTON, D.C. 20463

#### <u>CERTIFIED MAIL</u> <u>RETURN RECEIPT REQUESTED</u>

Ms. Arelis Rivera

DEC 1 2 2018

Perris, CA 92570

RE: MUR 7328 Julia Peacock for Congress, *et al.* 

Dear Ms. Rivera:

On December 4, 2018, the Federal Election Commission (the "Commission") reviewed the allegations in your complaint dated February 22, 2018, and found that on the basis of the information provided in your complaint, and information provided by Julia Peacock and Julia Peacock for Congress and Yolanda Miranda in her official capacity as treasurer (collectively "Respondents") there is no reason to believe Respondents violated 52 U.S.C. §§ 30104(a) and (b); 30116(a) and (f). Accordingly, the Commission closed the file in this matter.

Documents related to the case will be placed on the public record within 30 days. See Disclosure of Certain Documents in Enforcement and Other Matters, 81 Fed. Reg. 50,702 (Aug. 2, 2016). The Factual and Legal Analysis, which more fully explains the Commission's finding, is enclosed.

The Federal Election Campaign Act of 1971, as amended, allows a complainant to seek judicial review of the Commission's dismissal of this action. See 52 U.S.C. § 30109(a)(8).

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If you have any questions, please contact Wanda Brown, the attorney assigned to this matter, at (202) 694-1650.

Sincerely,

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Lisa J. Stevenson General Counsel

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BY: Mark Shonkwiler Assistant General Counsel

Enclosure Factual and Legal Analysis

# FEDERAL ELECTION COMMISSION

#### **FACTUAL AND LEGAL ANALYSIS**

Julia Peacock for Congress and

capacity as treasurer

Yolanda Miranda in her official

Julia Peacock

**RESPONDENTS:** 

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**MUR:** 7328

#### I. INTRODUCTION

11 This matter was generated by a complaint filed with the Federal Election Commission 12 (the "Commission") by Arelis Rivera. See 52 U.S.C. § 30109(a)(1). The Complaint alleges that 13 Julia Peacock ("Peacock") and Julia Peacock for Congress and Yolanda Miranda in her official capacity as treasurer (the "Committee") violated the Federal Election Campaign Act of 1971, as 14 amended (the "Act"), after announcing in Facebook posts that "anonymous donors" would match 15 16 the next \$5,000 in contributions to the Committee. Peacock and the Committee state that while 17 these "matching donors" were not named in the solicitation, they were identified as contributors 18 on the Committee's disclosure reports. As set forth below, the Commission finds no reason to 19 believe that Peacock and the Committee violated 52 U.S.C. §§ 30104(a) and (b) and 30116(a) 20 and (f).

21 II. FACTUAL AND LEGAL ANALYSIS

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### A. The Peacock Campaign Fundraising Solicitation

Julia Peacock was a candidate for U.S. Representative from California's 42nd District in
 the 2018 election.<sup>1</sup> Julia Peacock for Congress is Peacock's principal campaign committee.<sup>2</sup>

FEC Form 2, *Statement of Candidacy*, Julia Peacock (Mar. 6, 2017) http://docquery.fec.gov/pdf/259/201703060300143259/201703060300143259.pdf.

<sup>&</sup>lt;sup>2</sup> FEC Form 1, *Statement of Organization*, Julia Peacock for Congress (Feb. 27, 2017) (amend. May 25, 2017, to add current treasurer, and May 2, 2018, to change the Committee's address) http://docquery.fcc.gov/pdf/632/201805029111746632/201805029111746632.pdf.

	MUR 7328 (Julia Peacock for Congress, <i>et al.</i> ) Factual and Legal Analysis Page 2 of 4
1	In December 2017, Peacock and the Committee posted fundraising solicitations on
2	Facebook that stated that "anonymous donors" had offered to match up to \$5,000 in
3	contributions. <sup>3</sup> The Facebook posts included:
4 5 6 7	<ul> <li>A post on December 19, 2017, at 1:46 p.m. stating "DOLLAR for DOLLAR DONOR MATCH up to \$5,000 to Peacock for Congress from GENEROUS ANONYMOUS DONORS! We have a deadline to meet on December 31, 2017, 11:59pm."<sup>4</sup></li> </ul>
8 9 10 11 12 13	<ul> <li>Another post on December 19, 2017, at 6:00 p.m. post regarding "generous anonymous donors" and promising "dollar for dollar match up to \$5,000 through 11:59pm PST 12/31/17."<sup>5</sup> This post includes a link to the Committee's ActBlue contribution page.<sup>6</sup></li> </ul>
14 15 16	• Two December 20, 2017, posts at 8:00 a.m. and 10:31 a.m. stating that "In less than 24 hours, you generously donated over \$1100: That's a total of \$2200 for the campaign thanks to the generosity of you and our matching partners." <sup>7</sup>
17 18	The Complaint alleges that Respondents failed to disclose the identity of the
19	"anonymous" matching donors and that a \$5,000 matching contribution would exceed the \$2,700
20	individual contribution limit. <sup>8</sup> Complainant also alleges that Respondents did not disclose any
21	payments for Facebook activity. <sup>9</sup>
22	Peacock and the Committee respond that Paul and Kerry Menth suggested the matching
23	donor program to Peacock and the Committee, but did not want their names included in the
	<sup>3</sup> Compl. at 1 (Feb. 22, 2018).

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- 4 Compl., Attach. 1.
- <sup>5</sup> Compl., Attach. 2.
- 6 Id.

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- <sup>7</sup> Compl., Attach. 6.
- <sup>8</sup> Compl. at 1-2.
- 9 *Id*.

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actual solicitations.<sup>10</sup> Respondents assert that they described the matching donors as
"anonymous" only because their names were not in the solicitation.<sup>11</sup> Respondents aver that they
always intended to identify the matching donors on the Committee's disclosure reports.<sup>12</sup> The
Committee's 2017 Year-End Report revealed that Paul and Kerry Menth made contributions, in
the amount of \$2,250 and \$2,700, respectively, on December 28, 2017.<sup>13</sup> While Respondents do
not address the alleged nondisclosure of disbursements for Facebook activities, the Committee's

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## B. Legal Analysis

9 Political committees registered with the Commission must file periodic reports disclosing 10 their receipts and disbursements.<sup>15</sup> These reports must include, *inter alia*, the identification of 11 each person who makes a contribution or aggregate contributions that exceed \$200 in the 12 election cycle.<sup>16</sup> The Act prohibits contributions to any candidate or his or her principal 13 campaign committee from an individual in excess of the Act's limits, which for the 2018 election 14 cycle was \$2,700 per election.<sup>17</sup> The Act also prohibits such committees from knowingly

<sup>10</sup>. Id.

11 *Id*,

12 *Id*.

FEC Form 3, 2017 Year-End, Report of Receipts and Disbursements, Julia Peacock for Congress (Jan. 31, 2018) at http://docquery.fec.gov/pdf/804/201801319090979804/201801319090979804.pdf.

<sup>14</sup> FEC Form 3, 2017 July Quarterly, *Reports of Receipts and Disbursements*, Julia Peacock for Congress, (July 14, 2017) at http://docquery.fec.gov/pdf/655/201707149066670655/201707149066670655.pdf.

<sup>15</sup> 52 U.S.C. § 30104(a).

<sup>16</sup> 52 U.S.C. § 30104(b)(3)(A); 11 C.F.R. § 104.3(a)(3), (4)(i). See also 11 C.F.R. § 100.12.

<sup>17</sup> 52 U.S.C. § 30116(a)(1)(A); 11 C.F.R. § 110.1(b).

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1 accepting excessive contributions.<sup>18</sup>

2 Notwithstanding Respondents' use of the term "anonymous donors" in the Facebook solicitations, Peacock and the Committee identified the two individuals who made "matching" 3 contributions.<sup>19</sup> and these contributions—in the amounts of \$2,250 and \$2,700—complied with 4 the applicable \$2,700 limit.<sup>20</sup> While it is not clear if Respondents incurred any costs to create the 5 6 Facebook posts, the Committee's disclosure reports for the relevant time period reveal over 7 \$9,663.61 in disbursements for Facebook advertising.<sup>21</sup> Based on this information and 8 Respondents' rebuttal of the allegations, the Commission finds no reason to believe that Peacock 9 and the Committee violated 52 U.S.C. §§ 30104(a) and (b) and 30116(a) and (f).

<sup>18</sup> 52 U.S.C. § 30116(f); 11 C.F.R. § 110.9.

<sup>19</sup> The Commission has previously examined "matching" contribution programs in other contexts. See MUR 7121 (Eggman for Congress) (Commission found no reason to believe that Respondents violated the Act where they participated in "donor swaps" and all contributions were made with each individual's funds); Advisory Opinion 1994-07 (GEON PAC) (permitting corporation's charitable match program for PAC contributions as long as contributor receives no tangible benefit or premium, citing Advisory Ops. 1994-3, 1990-6, 1989-9, and 1989-7). Cf. MUR 6873 (Wal-Mart Stores, Inc., *et al.*) (Dismissing as a matter of prosecutorial discretion allegation that corporation's 2-for-1 charitable match of SSF contributions violated the Act).

FEC Form 3, 2017 Year-End, *Report of Receipts and Disbursements*, Julia Peacock for Congress (Jan. 31, 2018) at http://docquery.fec.gov/pdf/804/201801319090979804/201801319090979804.pdf. Paul Menth's \$2,250 contribution, aggregated with earlier contributions, equaled the \$2,700 individual contribution limit for the primary election. Similarly, Kerry Menth's \$2,700 contribution did not exceed the per-election limit for the primary election.

FEC Form 3, 2017 July Quarterly, *Reports of Receipts and Disbursements*, Julia Peacock for Congress, p. 23 (July 14, 2017) at http://docquery.fec.gov/pdf/655/201707149066670655/201707149066670655.pdf.

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